

Below, please find the Questions and Answers for the Indiana Deferred Compensation Plans' Real Return Search. Questions will no longer be accepted. We look forward to your response to the search. Thank you.

QUESTIONS & ANSWERS FOR REAL RETURN SEARCH

1. Is there a preferred target risk and target return?

No, there is no preferred target risk nor return. All types of strategies will be considered.

2. Is INDC willing to cap participants' allocation to a stand-alone product?

Discussions regarding participants' available usage of a specific product could be further considered as the search process narrows.

3. Is there a limit to the number of proposals submitted?

No, there is no limit. Firms may submit more than one response. A separate proposal shall be submitted for each.

4. Will the Client consider passive and/or active strategies?

Yes, both active and passive strategies will be considered.

5. Is there any vehicle preference between collective trust funds, mutual funds, or separate accounts provided these vehicles meet the requirements for daily valuation and recordkeeping requirements?

All else equal, there is no strong preference for vehicle type as long as recordkeeping requirements are met. We do specifically ask that you provide the product name, ticker (if applicable), and inception date for each of the vehicle types (e.g. different share classes of mutual funds, commingled trusts, etc.) available for this particular product/strategy being submitted. With this information, the client will be able to compare fees and other relevant factors. Some consideration may be given to the ability of a participant to seek public information on a mutual fund via a ticker, but this will not likely be a significant deciding factor in the search.

6. What percentage of the target date fund allocation would real return likely represent? How big is the target date fund?

In total, the Target Date Funds represent about \$70 million in assets, or 9% of the total assets, as of March 31, 2010. The specific percentage that real return would represent will be determined as part of a larger glidepath study and could be dependent on the type of strategy ultimately chosen, but could represent 0% to 30% of a given target date option, depending on its time horizon (i.e. the shorter-dated

options will likely have higher allocations to real return than the longer-dated options).

7. Is transfer pricing required on the proposed vehicle?

Fee arrangements will be evaluated and negotiated on a case-by-case basis. Currently, there is no stated required amount of expense reimbursement.

8. The questionnaire mentions a Recordkeeper Requirement (item 7) that expense reimbursement fees (if applicable) must be sent monthly and via wire. The manager's existing agreement with Great West includes quarterly payment of shareholder servicing fees (including an existing investment for the Indiana Deferred Compensation Plan). If selected, would quarterly payments be acceptable, or would we need to initiate a monthly schedule with Great West for this investment?

The expense reimbursement fees are normally 12(b)1 fee reimbursements, which are required on a monthly basis in order for GreatWest to reconcile based on average daily balances in the fund. The shareholder service fees, on the other hand, are normally paid quarterly by most fund houses. GreatWest would need fund companies to conform to the schedules as outlined in the recordkeeping requirements. In the case where a fund company must set-up both fees (expense reimbursement and shareholder services) on the same frequency, however, the fund company could set-up both fees on a monthly basis. Quarterly for both, however, is not acceptable.

9. Will the Client consider a new real return strategy that the manager is in the process of launching? (the rest of the question is omitted to protect manager details)

Yes, the client will consider new strategies given the evolving state of the asset class and market environment.

10. Are there currently any target date funds? If yes, total assets in these funds and the ticker symbols for these funds.

Yes, there are currently target date funds being utilized. In total, they represent about \$70 million in assets, or 9% of the total assets, as of March 31, 2010. As custom funds constructed of underlying stand-alone options, they do not have ticker symbols.

11. Total current assets in any current fixed Income funds and the ticker symbols for each.

The two stand-alone fixed income options are the PIMCO Total Return Fund (PTTRX), with approximately \$35 million in assets and the Indiana Stable Value

Fund (no ticker symbol), with approximately \$400 million in assets, as of March 31, 2010.

12. Is there a minimum track record length requirement a strategy must meet to be considered for selection in this RFP process.

No, there is no minimum track record for a strategy, though it is indicated that candidates should be able to demonstrate that they manage significant assets (\$200 million or more) in the area for which it competes. Organizations with less than \$200 million in the area for which it competes will be considered on a case-by-case basis. Additionally, it is desirable that the key decision makers will have worked together for a minimum of three years. It is important to note these are not strict requirements, particularly given the changing dynamics of market environment for the Real Return asset class; however, these factors will be taken into consideration.

13. Could you please confirm that since <Manager Name Withheld> shall be providing asset management services from NY if awarded the Indiana DC mandate and will not be doing business within the State of Indiana, it need not be registered with the Indiana Secretary of State as a foreign entity doing business within Indiana?

Prior to engaging in a contract with a manager, that manager must have initiated registration with the State of Indiana, per Indiana Code 5-22-16-4.

14. In the questionnaire regarding INDC's real return search, it makes mention of an excel file that has been provided where we should submit performance information. However, I do not see the attached excel sheet. Can you provide me with the excel file?

The spreadsheet is posted on the HoosierSTART website along with the BAA, as indicated. Please copy and paste the following link in your internet browser: <http://www.in.gov/auditor/hoosierstart/> and look in the middle of the page for the document titled "Quarterly Return Information".